

# CITY OF NEWPORT BEACH CITY COUNCIL STAFF REPORT

Agenda Item No. 14  
May 11, 2010

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Chris Miller, Harbor Resources Manager  
(949) 644-3043, [cmiller@newportbeachca.gov](mailto:cmiller@newportbeachca.gov)

**SUBJECT:** Vendor Selection for Contract Negotiations for Mooring Management Services

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## **ISSUE:**

Should the City Council select a vendor and direct staff to negotiate a five-year contract to provide mooring management services in Newport Harbor?

## **RECOMMENDATION:**

Direct staff to negotiate a five-year contract with the Orange County Sheriff's Harbor Patrol to provide mooring management services.

## **DISCUSSION:**

### Background

The purpose of the Mooring Management Services Agreement is to establish and define the responsibilities of the City and a mooring management services provider in conjunction with the mooring of vessels over City Tidelands. Currently, the City permits approximately 1,229 public moorings (consisting of 439 onshore moorings and 790 offshore moorings) with the County permitting approximately 25 offshore moorings over County Tidelands. On February 21, 1989, the City and County entered into a Joint Powers Agreement for mooring management services by the Sheriff's Department Harbor Patrol, and this agreement was subsequently amended several times until it expired on December 31, 2008, when the rate was approximately \$110,000 per year. In 2009, the agreement was extended through the calendar year at \$110,000. However, in mid 2009, the County submitted a proposal for a new five-year contract for \$264,000 representing an increase of \$154,000. Because of this significant increase in cost, and because the City had not explored the market for mooring management services, the City determined that it was appropriate to solicit proposals from both public and private entities. To allow time for a competitive proposal process, on January 12, 2010, the City Council authorized an interim agreement with the County for \$24,166.67 (proposed rate in the table below, per month) for four months.

### Proposal Process and Analysis

A Request for Proposals (RFP) was issued in October 2009 to seek the most cost-effective and efficient management option available. The RFP was sent to

approximately five mooring vendors in Southern California and was posted on the City's website. In summary, the scope of services requested is as follows:

1. Near waterfront office, easily accessible by land/water.
2. Qualified office staff 8 hours a day, 7 days a week year round (as opposed to 24/7 service currently provided by Harbor Patrol).
3. Qualified on-the-water staff for at least 40 hours per week.
4. Administration and implementation of mooring rules per Title 17, as well as rules delineated by local practice.
5. Recommendations on mooring permit revocations.
6. Provision of public access to available moorings for guest use.
7. Weekly mooring inspections for compliance with seaworthiness, operability and nuisance requirements.
8. Written communications to permittees for biannual mooring overhaul.
9. Maintenance of the wait list.
10. Implementation of mooring transfers.
11. Updates to billing information. (Bills will still be generated through the City.)
12. Maintenance of an impound area for abandoned / found vessels.
13. Assistance to mooring permittees in maintaining safe vessel mooring during inclement weather.
14. Annual survey of mooring fees.

The deadline for submitting proposals was November 12, 2009. Prior to this deadline, the City received six proposals. (This includes a proposal from the Harbor Patrol who was advised by County Counsel that they could not officially respond to the RFP. Rather, the Harbor Patrol could submit an offer to enter into a new Joint Powers Agreement.) A review committee was assembled to evaluate the proposals. They included:

Chris Miller	Harbor Resources Manager
Shannon Levin	Harbor Resources Supervisor
Glen Everroad	Revenue Manager (Retired)
Evelyn Tseng	Revenue Manager, Acting
Seanne Carney	Fiscal Specialist (Billing)
Don Lawrenz	Harbor Commissioner
Megan Delaney	Newport Mooring Association

A cost summary of the six proposals is outlined below; however, cost was not the sole criterion for selection as background, experience and technical expertise were heavily weighted as well.

<u>Contractor</u>	<u>Yearly Rate</u>	<u>5 Year Rate</u>
BellPort Group	\$180,000	\$900,000
Beauchamp Reality, Inc.	\$237,296	\$1,186,480
Vessel Assist	\$238,000	\$1,190,000
Harbor Patrol	\$290,000	\$1,450,000
Marina Business Associates	\$300,000	\$1,500,000
Atlas Engineering	\$393,680* Adjusted for annual cost	\$1,741,520

(Note: All revenue generated from mooring rentals – approximately \$25,000 to \$30,000 per year at current rates – would be reimbursed to the City by the chosen contractor. These revenues are not reflected in the numbers above.)

On December 16, 2009, the review committee conducted oral interviews with the three most qualified contractors: BellPort Group, Harbor Patrol and Vessel Assist. On February 23, 2010, Harbor Resources announced that staff intended to recommend to City Council that they approve an agreement with BellPort Group. Staff had found that BellPort Group was the most responsive to the City's RFP, and proposed the best price for the requested services. Staff was poised to finalize a mooring agreement by the end of April 2010 due to the budget impacts of continuing the interim agreement with the County.

On March 4, 2010, the Harbor Commission's Mooring Master Plan Subcommittee recommended that more time be given to the decision making process so the City Council and staff could evaluate the proposals with plenty of public input. The subcommittee favored the Harbor Patrol's ability to provide immediate 24 hour service as well as added security in the mooring fields. In addition, it was the general consensus at the Newport Mooring Association meeting on May 3, 2010 (attended by 100 people) that the Harbor Patrol was the better option for the same reasons as above.

On March 23, 2010, the Harbor Patrol provided an unsolicited letter to the City offering the following:

1. To reduce the current interim contract amount to \$15,000/month for March through June for a total 6 month price of \$108,333. (January and February billed at \$24,166.67, March through June billed at \$15,000. Current Harbor Resources budget has \$110,000 for mooring services based on previous year's rates.)
2. To phase in the increase in costs for Harbor Patrol mooring management over five years:
  - a. Year 1 - \$180,000
  - b. Year 2 - \$207,500
  - c. Year 3 - \$235,000
  - d. Year 4 - \$262,500
  - e. Year 5 - \$290,000
  - f. **Total cost for 5 years, 24/7 service - \$1,175,000**

To be fair to the other two qualified bidders, the City issued a letter and asked if they would care to resubmit a proposal. In addition, the City asked that they also provide a separate proposal for 24 hour service so a direct comparison could be made to the existing and proposed Harbor Patrol's services.

Likewise, the City issued a letter to the Harbor Patrol and accepted their offer for the reduced rate for the interim services, and also requested a separate proposal for mooring management services 8 hours a day so a direct comparison could be made to

the proposals submitted by the other private contractors. The deadline for responses from these three qualified vendors was April 23, 2010.

### Responses to City's Request

Vessel Assist was non-responsive.

BellPort Group responded that their previous proposal included 24 hour on-call service within a 90 minute time frame, but if 24 hour service were requested, it might be an additional \$70,000 per year (\$350,000 for 5 years). However, BellPort chose to not officially submit a separate bid because their research indicated many other mooring administrators in California did not offer 24 hour service, so it would be "both unnecessary and wasteful to taxpayers." BellPort will continue to honor their original proposal as outlined in the attachments. If the cost for 24 hour service were added to BellPort's proposal, the total cost over five years would be approximately \$1,250,000.

The Harbor Patrol responded that their original proposal was based on an activity cost (i.e. time it takes to perform a function) rather than based on having staff available 24/7. They stressed that moorings are rented on a 24 hour basis and that service is needed all day/night. They recommended the City increase the transient mooring rental rate to help bridge the gap in costs for services. Therefore, the Harbor Patrol did not offer a revised proposal for 8 hour service.

For Council's consideration, attached are the proposals and follow up correspondence from BellPort Group and Harbor Patrol.

### Analysis

The Harbor Patrol has extensive experience managing the City's moorings and they provide immediate round the clock service 7 days a week. Their facility is located at the entrance to the harbor, and is readily visible to visiting boaters. In addition, because they are a law enforcement agency, they provide security by closely monitoring the mooring fields and those boaters that rent moorings.

Bellport Group has an established on-the-water facility located on the Lido Peninsula which is near the end of the harbor and arguably less convenient to the visiting boater who may be unfamiliar with the harbor. BellPort has seasoned personnel, in-depth knowledge of Newport Harbor, and proven ability to manage boats through their marinas and shipyard.

The principal difference between the proposals from the Harbor Patrol and BellPort Group is the provision of immediate service 24/7 and the added security Harbor Patrol provides. Staff agrees that moorings are rented on a 24 hour basis, and having service at all hours is desirable to maintain a service-friendly harbor. In addition, mooring permittees often return from their weekend trips 'after hours' and sometimes find a renter on their mooring. If this happens, the Harbor Patrol responds quickly to relocate the renter to another vacant mooring and alleviates the problem. Also, security is another advantage that is an added benefit to the harbor.

Although the City's RFP did not request immediate service 24/7, input from mooring permittees indicates that this is a service they value and one on which they depend. Comparing the Harbor Patrol's revised proposal (including immediate service 24/7) with BellPort Group's proposal (without immediate service 24/7) shows that the cost of this service is approximately \$55,000 per year or \$275,000 over five years. Staff believes this is a reasonable cost, especially when the added harbor security and decades of experience of the Harbor Patrol are taken into consideration.

Staff notes that mooring management services benefit mooring permittees almost exclusively, rather than the general public. Therefore, we suggest that the full cost of mooring management be considered in the update of mooring permit fees.

#### Next Steps

Following City Council's direction to negotiate the terms of the contract for mooring management, staff will enter into a two week negotiation period with the selected vendor. Following the negotiation period, staff will return to the City Council in June for the final approval of the agreement and execution of the contract. The targeted start date for this contract will be July 1, 2010.

#### **ALTERNATIVES:**

Direct staff to negotiate a three-year contract (three-year initial contract with one (1) optional two-year extension) with BellPort Group to provide mooring management services.

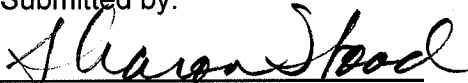
#### **ENVIRONMENTAL REVIEW:**

This action is not subject to the California Environmental Quality Act ("CEQA") because it is an administrative activity of the City and therefore not a "project" as defined by Section 15378 of the CEQA Guidelines.

#### **PUBLIC NOTICE:**

This agenda item has been noticed according to the Ralph M. Brown Act (72 hours in advance of the public meetings at which the City Council considers the item).

Submitted by:



for  Chris Miller  
Harbor Resources Manager

Attachments: Harbor Patrol Proposal  
BellPort Group Proposal

## Harbor Patrol Proposal



550 N. FLOWER STREET  
P.O. BOX 449  
SANTA ANA, CA 92702-0449  
(714) 647-7000

**SHERIFF-CORONER DEPARTMENT  
COUNTY OF ORANGE  
CALIFORNIA**

**OFFICE OF SHERIFF-CORONER**

November 12, 2009

**SANDRA HUTCHENS  
SHERIFF-CORONER**

**UNDERSHERIFF  
JOHN L. SCOTT**

**EXECUTIVE COMMAND  
RICK DOSTAL  
MICHAEL R. HILLMANN  
MIKE JAMES**

**COMMANDERS  
TIM BOARD  
JAY LEFLORE**

Mr. Dave Kiff, City Manager  
City of Newport Beach  
3300 Newport Blvd.  
Newport Beach, CA 92663

Dear Mr. Kiff:

The Sheriff's Harbor Patrol has provided mooring administration services for the City of Newport Beach since the 1980's. The five-year agreement approved in 1989 has been extended by four separate amendments.

This letter is intended to reiterate the County's commitment, through its Sheriff, to provide mooring administration services at the same level of services that we have historically provided. The Sheriff's Department is willing to enter into a new five-year Joint Powers Agreement (JPA), subject to Board of Supervisors and City Council approvals. The major components of service included in the JPA would include the following:

- 24/7 Public Building / Rental Location (1901 Bayside Drive Corona Del Mar 92625)
- Dock space to secure vessels during the rental process (Dock at the above listed location)
- General mooring administration services
  - Transient mooring rentals – 24/7
  - Mooring transfers – Business hours
  - Facilitate Letters of Permission
  - Maintain Mooring Wait List
  - Maintain records and files associated with both on-shore and off-shore moorings
  - Ensure bi-annual inspections and overhauls are completed
  - Ensure all moorings remain in operable condition
  - Enforce all applicable laws, regulations, and Municipal Codes
  - Impounding of vessels as required per regulations
  - Live Aboard checks
  - Conduct Lien Sales as required
  - Address Derelict Vessel's per Newport Beach Municipal Code
  - Provide sufficient waterborne assets and personnel to complete above listed duties

**PROUDLY SERVING THE UNINCORPORATED AREAS OF ORANGE COUNTY AND THE FOLLOWING CITIES AND AGENCIES:**

ALISO VIEJO • DANA POINT • LAGUNA HILLS • LAGUNA NIGUEL • LAGUNA WOODS • LAKE FOREST • MISSION VIEJO  
RANCHO SANTA MARGARITA • SAN CLEMENTE • SAN JUAN CAPISTRANO • STANTON • VILLA PARK  
OC PARKS • DANA POINT HARBOR • JOHN WAYNE AIRPORT • OCTA • SUPERIOR COURT

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Mr. Dave Kiff  
November 12, 2009  
Page 2

Based on FY 2009-10 salary rates, the cost related to the historical services is approximately \$290,000. A new five-year JPA would provide for the methodology of annual adjustments and would provide a methodology related to the collection and allocation of mooring revenues.

We are also willing, should it be desired, to enter into a new JPA at a reduced level of services as mutually agreed to by both parties and approved by the Board of Supervisors and the City Council.

The City's Harbor Resources Manager has indicated that the City desires to have a month-to-month agreement until such time as the City decides how to proceed with the mooring administration. Please contact us as soon as possible to begin negotiating this agreement, which will also be subject to Board of Supervisors and City Council approval.

I believe that as the historical provider of mooring administration services to Newport Harbor, the Sheriff's Harbor Patrol is in a unique situation to provide a continuity of service that is unparalleled. You may contact me at 714-647-1800 or you may contact Lieutenant Mark Long at (949) 673-1025 if you would like to meet to discuss developing a new JPA.

Sincerely,



Sandra Hutchens  
Sheriff-Coroner

cc: District No. 5, Supervisor Pat Bates, Chair  
District No. 2, Supervisor John M.W. Moorlach  
County Executive Officer, Thomas G. Mauk  
County Counsel, Nicholas S. Chrisos  
Deputy County Counsel, Nicole A. Sims  
Assistant Sheriff Michael R. Hillmann  
Executive Director Rick Dostal  
Commander Tim Board  
Captain Brian Wilkerson  
Lieutenant Mark Long  
Mark Denny, Director, OC Parks  
Chris Miller, City of Newport Beach, Harbor Resources Manager



SHERIFF-CORONER DEPARTMENT  
COUNTY OF ORANGE  
CALIFORNIA

OFFICE OF SHERIFF-CORONER

550 N. FLOWER STREET  
P.O. BOX 449  
SANTA ANA, CA 92702-0449  
(714) 647-7000

March 23, 2010

SANDRA HUTCHENS  
SHERIFF-CORONER

UNDERSHERIFF  
JOHN L. SCOTT

EXECUTIVE COMMAND  
TIM BOARD  
RICK DOSTAL  
MIKE JAMES  
JAY LEFLORE

COMMANDERS  
MARK BILLINGS  
LEE TRUJILLO  
W. DAVID WILSON

Mr. Dave Kiff, City Manager  
City of Newport Beach  
3300 Newport Blvd.  
Newport Beach, CA 92663

Dear Mr. Kiff,

At this time I am reaffirming the willingness of the Sheriff's Department to enter into a new cooperative agreement with Newport Beach to continue the partnership that the County of Orange and the City of Newport Beach have shared for over 50 years in protecting and serving the residents and visitors of Newport Harbor.

In my letter of November 12, 2009 I outlined the major components of the mooring services which the Sheriff's Harbor Patrol has provided since the 1980's. Actual costs of these services have been determined to be \$290,000. To work in cooperation with the City, I would be supportive of phasing the cost in over five years, at \$180,000 for the first year.

At this time I would like to propose that we continue our partnership and enter into a new agreement that would recognize the benefits to both agencies and most importantly the benefit to the public in having a single 24/7/365 law enforcement agency overseeing the mooring administration throughout Newport Harbor.

I propose the following for the new agreement:

- The effective date would be July 1, 2010 (To coincide with the County of Orange's Fiscal Year).
- Year one baseline rate would be \$180,000.
- The baseline rate would increase for the next four years by \$27,500 until total meets or does not exceed \$290,000.
- The revenues generated from Transient Mooring Rentals within the City of Newport Beach Mooring Fields will be remitted to the City of Newport Beach.
- All other fees collected, including Transient Mooring Rentals within County of Orange Tidelands would be retained by the County of Orange.
- The City and County would continue to work cooperatively to identify services efficiencies in the administration of transient moorings.
- The City and County would cooperate to bring transient mooring fees up to market rate and establish methodology to maintain fees at market.

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OC PARKS • DANA POINT HARBOR • JOHN WAYNE AIRPORT • OCTA • SUPERIOR COURT

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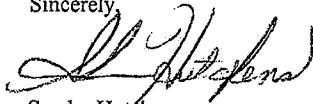


Mr. Dave Kiff, City Manager  
March 23, 2010  
Page 2

The County of Orange is currently in a month-to-month status whereby the County OC Parks has billed, and the City has paid, 1/12 of \$290,000 for the months of January and February totaling approximately \$48,333.33. For the interim period of March 1<sup>st</sup>, 2010 thru June 30<sup>th</sup>, 2010 the City of Newport Beach would pay a prorated amount calculated on the baseline rate of \$180,000.00 for a total of \$60,000.00. (The total for the 6 month period is approximately \$108,333)

I have asked Lieutenant Mark Long to schedule a meeting with you to discuss the proposed terms at your earliest convenience. You may contact me at (714) 647-1800 or you may contact Lieutenant Mark Long at (949) 673-1025.

Sincerely



Sandra Hutchens  
Sheriff-Coroner

cc: District No. 2, Supervisor John M.W. Moorlach  
County Executive Officer, Thomas G. Mauk  
County Counsel, Nicholas S. Chrisos  
Senior Deputy County Counsel, Nicole A. Sims  
Assistant Sheriff Mike James  
Executive Director Rick Dostal  
Commander Mark Billings  
Captain Brian Wilkerson  
Lieutenant Mark Long  
Mark Denny, Director, OC Parks  
Chris Miller, City of Newport Beach, Harbor Resources Manager



SHERIFF-CORONER DEPARTMENT  
COUNTY OF ORANGE  
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OFFICE OF SHERIFF-CORONER

550 N. FLOWER STREET  
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SANTA ANA, CA 92702-0449  
(714) 647-7000

April 22, 2010

SANDRA HUTCHENS  
SHERIFF-CORONER

UNDERSHERIFF  
JOHN L. SCOTT

EXECUTIVE COMMAND  
TIM BOARD  
RICK DOSTAL  
MIKE JAMES  
JAY LEFLORE

COMMANDERS  
MARK BILLINGS  
LEE TRUJILLO  
W. DAVID WILSON

Mr. Dave Kiff, City Manager  
City of Newport Beach  
3300 Newport Blvd.  
Newport Beach, CA 92663

Dear Mr. Kiff:

Thank you for your letter of April 9, 2010 in which you requested information on a separate cost proposal for mooring administration services that would include services eight hours a day, seven days a week as outlined in the Request for Proposal that the City issued earlier in the year.

The cost for mooring administration is based on a time study that was completed for the period November 15, 2008 through December 15, 2008. The cost was derived on an activity cost. Those costs were measured by calculating the costs of the activities during that time frame. The cost was not based on having specified staff available 24/7. While it is theoretically possible to accept transient mooring rentals during an 8 hour period, there is no indication it would alter the actual number of rentals and therefore, does not reduce the costs associated with the process.

Another method to determine costs would be to charge for staff members directly involved in the administration of the moorings, supplies and the proportionate share of overhead necessary for the operation. Using this method, the cost would most likely exceed the \$180,000 price quoted in our letter dated March 23rd, 2010. Since the employees currently dedicated to the mooring administration process already work an 8 hour day, curtailing the rental period to 8 hours per day would shrink the operating hours by 2/3 but not reduce staff time or result in cost savings.

While the city proposed an 8 hour schedule in its mooring administration RFP, the fact remains that moorings are rented on a 24 hour basis. A person attempting to rent a mooring after hours may find the proposed process (self-serve kiosk) time-consuming and cumbersome and may choose to simply moor their boats, avoid registration and pay no fee at all. Without a responsible 24 hour service to monitor or enforce, the City may experience a reduction in mooring revenue and/or increased costs related to after-hours management response to mooring disputes.

PROUDLY SERVING THE UNINCORPORATED AREAS OF ORANGE COUNTY AND THE FOLLOWING CITIES AND AGENCIES:

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Mr. Dave Kiff  
April 22, 2010  
Page 2

A better option, one that is beneficial to the City, County and the boating community, would be to raise the mooring fee to a level that is in line with other harbors. As you know, the transient mooring fee, currently set at \$5 per night, has not been raised in over thirty years. A reasonable increase in the transient mooring rates could bring the following benefits to the City of Newport Beach:

- Allow the City of Newport Beach to realize enough revenue to offset the proposed increase in the administration of the moorings.
- Allow continued Sheriff Department "Gold Standard" 24/7 service to Newport Beach residents and the boating community.
- Allow the City of Newport Beach and the County of Orange to improve services, reduce costs and streamline operations.

Since OC Parks, the Sheriff and the City are working on a proposed new cooperative agreement it might be helpful for you to have this additional information about the cost basis of that agreement and how it already relates to your request.

I appreciate the opportunity to continue our working relationship and hope that this information is helpful to you in completing your analysis. As you have discussed with Mark Denny, Director of OC Parks, a draft cooperative agreement has been prepared and will be finalized and submitted for your consideration.

Sincerely,



Sandra Hutchens  
Sheriff-Coroner

cc: District No. 2, Supervisor John M.W. Moorlach  
County Executive Officer, Thomas G. Mauk  
County Counsel, Nicholas S. Chrisos  
Senior Deputy County Counsel, Nicole A. Sims  
Assistant Sheriff Mike James  
Executive Director Rick Dostal  
Commander Mark Billings  
Captain Brian Wilkerson  
Lieutenant Mark Long  
Mark Denny, Director, OC Parks  
Chris Miller, City of Newport Beach, Harbor Resources Manager

## BellPort Proposal



# BELLPORT

November 10, 2009

Ms. Evelyn Tseng  
Revenue Division  
City of Newport Beach  
3300 Newport Boulevard  
P.O. Box 1768  
Newport Beach, California 92658-8915

**Re: Request for Proposals - Mooring Management Services**

City of Newport Beach Represented by its City Council:

We at BellPort Group are pleased to take part in the process to designate a Moorings Management Services Provider ("Provider") for the City of Newport Beach in Newport Harbor. We believe that we are uniquely qualified and positioned to seamlessly assume the role of Provider and achieve superior customer satisfaction for permanent mooring tenants and guests of the harbor at vacant moorings. In the following document we establish that we have a history of being best in class regarding our:

- Professionalism;
- Superior customer service;
- Security and Safety;
- Outstanding operating efficiencies; and
- Best in class software and systems.

Please do not hesitate to contact us directly with any questions, comments or requests for clarification at:

BellPort Group  
151 Shipyard Way, Suite 5  
Newport Beach, California 92663  
949.723.7780

The following proposal is a binding commitment of BellPort Group.

Jesse Salem  
Owner, BellPort Group

#### IV. PROPOSAL

The proposer shall include within its proposal:

1. The location of proposed local office facility – the proposer may identify a site, such as facilities at the Balboa Yacht Basin or the Harbor Patrol Headquarters, that are not leased by the proposer at the time of proposal;
  - A. The Provider shall operate from its existing Marina Administration Office located at 151 Shipyard Way, Suite 5 located on Lido Peninsula adjacent to the Lido Dry Stack and BellPort Newport Harbor Shipyard. The Marina Administration Office currently provides all of the administrative duties for Lido Dry Stack, Lido Yacht Anchorage and BellPort Newport Harbor Shipyard. This site has ample and free parking for use in the event tenants or guests require visiting the office as well as available slips for use by mooring guests in the event they wish to visit our offices.
  
2. The proposed operating schedule of office and field personnel;
  - A. The Marina Administration Office will be open 7 days a week, 362 days a year (it closes on Thanksgiving, the day after Thanksgiving and Christmas day) from 8:00 am to 5:00 pm. In addition, field personnel will be available on the water for inspection, administration and guest mooring check-in between the hours of 9:00 am and 5:00 pm on the same 7 days a week, 362 days a year schedule as above.
  
3. A detailed description of the approach and methodology the proposer shall take to achieve client satisfaction and to fulfill the terms and conditions of the work described in this RFP;
  - A. Please refer to our Capabilities Brochure attached hereto as Exhibit "A."
  
4. The location of proposed impound facilities for abandoned or found vessels;
  - A. BellPort Group through its shipyard, BellPort Newport Harbor Shipyard, has ample on-the-water as well as dry storage facilities for abandoned, liened or

impounded vessels. BellPort Group has extensive experience in the lien sale process to satisfy boat owner obligations for its clients.

5. Demonstrated knowledge of local harbor facilities and issues;
  - A. BellPort Group through its officers and founders have been operating shipyard and marina facilities in the Newport Harbor for more than 65 years collectively. In that time they have worked closely with all agencies responsible for the maintenance and enjoyment of Newport Harbor.
  
6. Estimated monthly expenditures for personnel, administration costs and incidental expenses;
  - A. Please refer to our pro-forma profit and loss statement attached hereto as Exhibit "C."
  
7. A detailed description of specific tasks the proposer may require from City staff, and what respective roles City staff and proposer's staff shall have to complete the scope of work described in this RFP and in the proposal; and
  - A. None.
  
8. Proposer's fee for its scope of services.
  - A. \$15,000.00 monthly in advance.

#### V. QUALIFICATIONS

Proposers must provide information regarding its qualifications and knowledge of mooring management. Each proposal must include:

1. The background, experience and qualifications of the proposer, including a list of previous work that is similar to the work described in this proposal and the length of time the proposer has been providing similar services;
  - A. Please refer to our Capabilities Brochure attached hereto as Exhibit "A."

2. At least five (5) references that received services from proposer's company with the following information: company or municipality name, contact person, title, and telephone number;

A. Please see Reference Sheet, attached hereto as Exhibit "D."

3. A demonstrated ability to finance ongoing operations. Evidence shall include submission of the most recent two (2) years of audited financial statements and/or such relevant information;

A. Please refer to our financial statements, attached hereto as Exhibit "E."

4. A brief description of all key personnel for the mooring management office and field duties, and;

A. Jesse Salem – BellPort owner and Project Manager. Jesse has over 25 years experience in shipyard operation. In 1991, he was appointed CEO of Newport Harbor Shipyard. As CEO he was responsible for day to day operations as well as all accounting and financial aspects of the business. He continued to build upon the facility's success increasing revenue year after year. Jesse also founded the Lido Marine Hardware store located on the shipyard's premises creating a new profit center for the facility. In May 2009, Jesse bought the Shipyards and is co-owner with Joe Ueberroth in BellPort. In addition to his responsibilities of Shipyard Operations, Jesse operates and manages Lido Dry Slip. Jesse holds a US Coast Guard Master 5 issue and has been actively involved in the marine industry for over 30 years. Prior to joining Newport Harbor Shipyard, Jesse worked for Sea Boat Company as a Shipwright, and C Time Fishing Company as a Corporate Captain.

B. Jim Werner – BellPort Newport Harbor Shipyard, Yard-Manager. Jim Werner has been involved in the marine business in Newport harbor for more than 30 years, first as the owner of Offshore Repair and for the last 22 years with BellPort Newport Harbor Shipyard. Mr. Werner is a federally licensed crane operator, he has delivered, towed and craned boats of all sizes up to 100' – if it floats, he can operate it. Mr. Werner is on the Harbor patrol Emergency Response list and was recently given a letter of commendation by the Sheriff Coroner office for his late night duties. Mr. Werner is personally an avid boater, diver and fisherman –

keeping a boat in Newport Beach as well as in Mexico.

- C. Paula Garcia – Marina Administrator. Paula Garcia has been a Marina Administrator with BellPort Group for 5 years now. She has also had extensive experience in customer service and accounting role within Newport Harbor Shipyard. During her tenure with BellPort Group, Mrs. Garcia has had significant experience in billing, accounting, collections, marketing, and customer relations. Mrs. Garcia prides herself in providing a positive experience to clients and her fellow employees and hopes to be involved in the beauty and happiness of the Newport Beach marine industry for a long time to come.
  - D. Osvaldo Perez – Marina Administrator. Osvaldo Perez has been a Marina Administrator with BellPort Group for more than three years now. He has also had extensive experience in an operational role within Newport Harbor Shipyard in procurement and yard work. During his tenure with BellPort Group, Mr. Perez has significant experience in marketing, customer relations, vessel assist, accounting and parts service. Mr. Perez has not only been actively involved in Newport Harbor in his career, but he is also a boater.
  - E. Sheila Wood – Marine Administrator. Sheila Wood joined Bellport Group this year, bringing more than 20 years experience as office manager for a local Newport Beach Yacht dealership. Her general overall knowledge of the boating industry has added another valued dimension to our organization. She prides herself on the ability to provide great customer service and a having a strong work ethic. Sheila brings a lifetime of sailboat racing and cruising to the office every day.
5. A completed Contractor Application Form (Exhibit "B").
- A. Attached and included with minor comments to the Proposed Services Agreement.





Bellport Group

April 23, 2010

Chris Miller  
Harbor Resources Manager  
829 Harbor Island Drive  
Newport Beach, CA 92660

Dear Mr. Miller:

We are in receipt of your letter dated April 7, 2010 requesting a separate cost proposal for Mooring Administration, which includes 24 hour service. As you know, our prior proposal included 24 hour on-call service within a 90 minute time frame, however, it appears that you would like us to evaluate the Marina Administration opportunity under the guise of full time 24/7 on-the-water support. After "sharpening our pencils," providing the additional services you request, we believe would be approximately \$70,000 additional. In researching and planning the efficacy of such an expansive undertaking we have contacted many other mooring administrators throughout California, but none contacted provide such a service. As a result, we unfortunately came to the conclusion that it would not be in the City's, our client's, best interest. As an organization, BellPort seeks to provide its clients not only with what they want, but what they need in order to most effectively operate their business without wasting their money. In this process we would like to treat the City as we would any other private entity client, which, in this case, means we will not be resubmitting a separate bid because we view the 24/7 on-the-water support to be both unnecessary and wasteful to taxpayers.

We respectfully stand by our original proposal and look forward to serving the City and its citizens under our original proposal if it is accepted.

Best regards,

A handwritten signature in black ink, appearing to read 'Joseph G. McCarthy', written over a circular flourish.

Joseph G. McCarthy

BellPort Group